News Release



Controller of the State of California - Kathleen Connell

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FOR IMMEDIATE RELEASE

STATE CONTROLLER KATHLEEN CONNELL DETERMINES THE CALIFORNIA STATE LOTTERY HAS ADDRESSED SCRATCHERS CONTROVERSY

CONNELL'S REVIEW FINDS NEW CONTROLS ARE IN PLACE

Sacramento, May 9, 2002 – State Controller Kathleen Connell today released the results of her review of the California State Lottery's policies regarding Scratchers games. The review was conducted after recent cases in which tickets were sold after the top prizes had already been claimed.

"I am pleased that the California Lottery has revised its procedures to prevent sales like this from occurring again," said Connell. "We are satisfied that the Lottery correctly identified the problem and implemented new systems to stop sales in a Scratchers game before the top prizes have been awarded."

The Controller's review found the Lottery had sold \$894,184 worth of Scratchers tickets after the top prizes had already been claimed. These sales occurred over a four-year period from May 27, 1997, through June 14, 2001. The Lottery recently held a \$1 million special game to restore public confidence and took steps to improve its procedures.

"The Lottery's new procedures should actually perform better than other states when it comes to closing games before all prizes have been awarded," said Connell. "We conducted this review to assure that Californians can have faith in this State-run system, which provides valuable funds to our schools."

The Lottery's solutions included closer monitoring the number of top prizes remaining and faster communication to advise sales outlets to stop sales before the top prizes are gone.

Scratchers tickets are sold to the public through more than 19,000 contracted retailers. They consist of a variety of themes and offer different prize structures. The typical price for a ticket is one dollar, but top prizes have been as high as \$100,000.

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